

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA

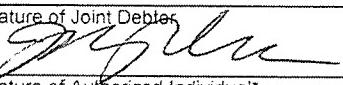
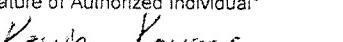
In re HHG Distributing LLC Case No. 17-01302-JJG-11
Debtors

MONTHLY OPERATING REPORT
HHG Distributing LLC

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I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

Signature of Debtor	Date
	
Signature of Joint Debtor	Date
	
Signature of Authorized Individual*	Date
	3/25/2019
Printed Name of Authorized Individual	CEO / CFO
	Title of Authorized Individual

* Authorized individual must be an officer, director, or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

HHG Distributing LLC
DEBTORS AND DEBTORS IN POSSESSION
Condensed Consolidated Statement of Income (unaudited)

(In Thousands)

	For the Period of February 1, 2019 to February 28, 2019
Net Sales	\$ -
Cost of Goods Sold	\$ -
Gross Profit	\$ -
Operating Expenses:	
Advertising Expense, Net	\$ -
Occupancy Costs	\$ -
Data Communications	\$ -
Repair and Maintenance	\$ -
Company Insurance (Non-Medical)	\$ -
Employee Benefits	\$ -
Wage Expense	\$ -
Employee Services	\$ -
Travel and Entertainment	\$ -
Bank Transaction Fees	\$ -
Professional Fees	\$ -
Stock Compensation Expense (Benefit), Net	\$ -
Gain/Loss on Early Extinguishment of Debt	\$ -
Depreciation and Amortization	\$ -
Administrative and Sales Expense	\$ -
Product Services Expense	\$ -
Bad Debts	\$ -
Total Operating Expenses	\$ -
Operating Income	\$ -
Interest Expense, net	\$ -
Other Income/(Expense)	\$ -
Income Before Taxes	\$ -
Income Tax Expense/(Benefit)	\$ -
Net Income	\$ -

**HHG Distributing LLC
DEBTORS AND DEBTORS IN POSSESSION
Condensed Consolidated Balance Sheet (unaudited)**

	As of 2/28/2019
	<i>(In Thousands)</i>
Assets	
Cash	\$ -
Credit Card and Trade Accounts Receivable, Net	\$ -
Accounts Receivable - Other	\$ -
Merchandise Inventories	\$ -
Prepaid Expenses and Other Assets	\$ -
Income Taxes Receivable	\$ -
Total Current Assets	<u><u>\$ -</u></u>
Property and Equipment, Net	\$ -
Capitalized Financing Fees, Net	\$ -
Goodwill	\$ -
Trademarks, Net	\$ -
Other Assets, Net	\$ -
Total Assets	<u><u>\$ -</u></u>
Liabilities and Stockholders' Deficit	
Accounts Payable	\$ -
Oustanding Customer Deposits, Credits, Refunds	\$ -
Unredeemed Gift Card Liability	\$ -
Other Accrued Expenses	\$ -
Deferred Tax Liability	\$ -
DIP Loans	\$ -
Total Current Liabilities	<u><u>\$ -</u></u>
Deferred Rent	\$ -
LT Deferred Compensation	\$ -
Other Long-term Liabilities	\$ -
Liabilities Subject to Compromise	\$ -
Total Liabilities	<u><u>\$ -</u></u>
Preferred Stock	\$ -
Common Stock	\$ -
Retained Earnings / (Accumulated Deficit)	\$ -
Treasury Stock	\$ -
Additional Paid-in Capital	\$ -
Total Stockholders' Deficit	<u><u>\$ -</u></u>
Total Liabilities and Stockholders' Deficit	<u><u>\$ -</u></u>

**HHG Distributing LLC
DEBTORS AND DEBTORS IN POSSESSION
Condensed Consolidated Statement of Cash Flows (unaudited)**

<u>(In Thousands)</u>	For the Period of February 1, 2019 to February 28, 2019
Cash flows from operating activities:	
Net cash provided by (used in) operating activities	\$ _____
 Cash flows from investing activities:	
Purchases of property and equipment	- _____
Proceeds from sale of property and equipment	- _____
Other	- _____
Net cash used in investing activities	- _____
 Cash flows from financing activities:	
Net Borrowings (Repayments) on Line of Credit	- _____
Increase/(decrease) in cash and cash equivalents	- _____
Cash and cash equivalents at beginning of period	- _____
Cash and cash equivalents at end of period	\$ _____

HHG Distributing LLC
DEBTORS AND DEBTORS IN POSSESSION
Total Disbursements by Filed Legal Entity (unaudited)

(In Thousands)

Legal Entity	For the Period of February 1, 2019 to February 28, 2019	Case Number	Disbursements
HHG Distributing LLC	-	17-01304-11	\$ -

Gregg Appliances, Inc.
DEBTORS AND DEBTORS IN POSSESSION
Total Disbursements to Retained Professionals (unaudited)

(In Thousands)

	For the Period of February 1, 2019 to February 28, 2019	
	Retained Professionals	Approved Amounts (1)
MORGAN, LEWIS & BOCKIUS LLP	Legal Services	\$ 1,878
STIFEL, NICOLAUS & COMPANY INC	Bankruptcy Services	\$ -
BERKELEY RESEARCH GROUP LLC	Bankruptcy Services	\$ 2,423
DONLIN, RECANO & COMPANY INC	Bankruptcy Services	\$ -
ICE MILLER LLP	Legal Services	\$ 1,639
BINGHAM GREENBAUM DOLL LLP	Bankruptcy Services	\$ 163
MALFITANO PARTNERS	Bankruptcy Services	\$ 66
COOLEY LLP	Bankruptcy Services	\$ 2,087
PROVINCE, INC.	Bankruptcy Services	\$ 542
DLA PIPER LLP US	Bankruptcy Services	\$ -
FAEGRE BAKER DANIELS LLP	Bankruptcy Services	\$ -
ASK LLP	Bankruptcy Services	\$ -
GREAT AMERICAN GROUP	Bankruptcy Services	\$ -
	Total	\$ 8,798

(1) Approved amounts represent the amount of fees and expenses that were approved by court order for payment by the Debtors to each professional from commencement of the case through January 2019.

HHG Distributing LLC
DEBTORS AND DEBTORS IN POSSESSION
Summary of Unpaid Post-Petition Debts (unaudited)
As of 2/28/2019

HHG Distributing LLC (17-01304-11)

**HHG Distributing LLC
DEBTORS AND DEBTORS IN POSSESSION
Schedule of Federal, State, & Local Taxes Collected, Received, Due or Withheld (unaudited)**

(In Thousands)

For the Period of February 1, 2019 to February 28, 2019

	For the Period of February 1, 2019 to February 28, 2019					
	Beginning Tax Liability	Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
Federal						
Withholding	\$ -	\$ -	\$ -	\$ -		
FICA - Employee	\$ -	\$ -	\$ -	\$ -		
FICA - Employer	\$ -	\$ -	\$ -	\$ -		
Unemployment	\$ -	\$ -	\$ -	\$ -		
Income	\$ -	\$ -	\$ -	\$ -		
Total Federal Taxes	\$ -	\$ -	\$ -	\$ -		
 State and Local						
Withholding	\$ -	\$ -	\$ -	\$ -		
Sales and Use	\$ -	\$ -	\$ -	\$ -		
Excise	\$ -	\$ -	\$ -	\$ -		
Unemployment	\$ -	\$ -	\$ -	\$ -		
Real Property	\$ -	\$ -	\$ -	\$ -		
Personal Property	\$ -	\$ -	\$ -	\$ -		
Other	\$ -	\$ -	\$ -	\$ -		
Total State and Local	\$ -	\$ -	\$ -	\$ -		

**HHG Distributing LLC
DEBTORS AND DEBTORS IN POSSESSION
Accounts Receivable Aging (unaudited)**

(In Thousands)

As of February 28, 2019

Accounts Receivable Reconciliation

		As of February 28, 2019		
		Credit Card Receivables	Trade Accounts Receivable	Total Credit Card and Trade Accounts Receivable
Total Accounts Receivable at the beginning of the reporting period	\$ -	\$ -	\$ -	\$ -
+ Amounts billed during the period	\$ -	\$ -	\$ -	\$ -
- Amounts collected during the period	\$ -	\$ -	\$ -	\$ -
- Other Adjustments (Writeoffs/Credit Memos/Adjustments/Chargebacks/Signifyd Funding)	\$ -	\$ -	\$ -	\$ -
Total Accounts Receivable at the end of the reporting period	\$ -	\$ -	\$ -	\$ -
<hr/>				
As of February 28, 2019				
Accounts Receivable Aging				
< 90	\$ -	\$ -	\$ -	\$ -
91+	\$ -	\$ -	\$ -	\$ -
Total Accounts Receivable	\$ -	\$ -	\$ -	\$ -
Amount Considered Uncollectible	\$ -	\$ -	\$ -	\$ -
Accounts Receivable, Net	\$ -	\$ -	\$ -	\$ -

NOTES

**HHG Distributing LLC
DEBTORS AND DEBTORS IN POSSESSION
Questionnaire**

	Yes	No			
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.	X	X			
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.	X	X			
3. Have all post-petition tax returns been filed timely? If no, provide an explanation below.	X	X			
4. Are workers compensation, general liability, and other necessary insurance coverages in effect? If no, provide an explanation below.	X	X			
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.	X	X			
Account Name	Purpose	Business	Acct Number	Bank Name	Date